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FM AMEMBASSY MADRID
TO RUEATRS/DEPT OF TREASURY WASHDC
RUEHC/SECSTATE WASHDC 4607
INFO RUCNIRA/IRAN COLLECTIVE

C O N F I D E N T I A L MADRID 000418

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STATE FOR EEB/ESC AND EUR/WE
TREASURY FOR DEPUTY SECRETARY KIMMITT AND IA/OEE/W.LINDQUIST

E.O. 12958: DECL: 04/16/2018

TAGS: [EFIN](#) [IR](#) [KTFN](#) [SP](#)

SUBJECT: BANCO SABADELL SUSPENDS IRAN REPRESENTATIONAL
OFFICE AFTER TREASURY, POST ENGAGEMENT

REF: A. MADRID 308

[1](#)B. MADRID 286

Classified By: Ambassador Eduardo Aguirre for Reasons 1.4(d) and (e)

[1](#)1. (SBU) On April 14, post received a letter from Banco Sabadell President Jose Oliu announcing that Sabadell had decided on March 31 to suspend all activities of its Iran representational office. Para 3 contains an informal translation of the letter, which responded to a letter post had sent Oliu the previous week containing information from Treasury about certain Iranian banks.

[1](#)2. (C) Comment: The suspension follows active USG engagement on the issue. Ref B reported visiting Treasury Deputy Secretary Kimmitt's March 6 conversation with Oliu about

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Iran. It also reported that the Central Bank had discussed Iran with Sabadell after the Deputy Secretary's Central Bank meeting the previous day. Ref A contains information provided at that time by Sabadell to the Central Bank about its ties with Iran. Sabadell later provided additional information (emailed to Treasury) about its ties to Iran as a result of post's followup inquiries. End Comment.

[1](#)3. (SBU) Informal translation of text of letter:

Having received your letter this past April 8 via fax, I would like to ask you to pass on my appreciation to Deputy Secretary of the Treasury Robert Kimmitt for the information

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submitted.

As we had the opportunity to discuss, Banco Sabadell has followed to the letter all of the designations that the UN, the European Union, the (FATF), and the U.S. have been establishing in the field of terrorism. In following them, the bank has also implemented all the controls and precautions necessary for compliance: cancellation of operations with persons and entities included in the published lists, among others Bank Melli and Bank Mellat in which we blocked their operations as of the beginning of the last quarter of 2007, additionally, establishment of reinforced controls of our knowledge of clients, special monitoring of operations with Iran, to the point of limiting operations to transactions with only those Banco Sabadell clients who were extremely well-known and that (Note: the transactions) were subjected to special scrutiny in terms of the Iranian party, knowledge of the commercial relations and the affected goods.

In addition to the above, I request that you inform Mr.

Kimmitt that on March 31, Banco Sabadell decided to suspend all activities of the Iran representational office, and as a consequence, any transaction or operation with the Iranian banking system (maintaining open only those obligations previously contracted by Banco Sabadell, which once expired will not be renewed). To this effect, all of the SWIFT codes and correspondent accounts with Iranian financial entities have been annulled, thereby blocking the emission and receipt of transfers.

I remain at your service and take this opportunity to send you my attentive regards,

Jose Olius Creus
President
Banco Sabadell
AGUIRRE